

the costs and performance of work that is being performed for the government under contract. This amendment will begin to gather it—by and for the Department of Defense.

I have long been interested in whether we have a system to measure and account for these costs, determine if there is savings, and oversee the work that is being done with Federal funds. It has been my impression that some of my colleagues have been just hide-bound to outsource, without regard to the price tag or performance. Their motivation was to reduce the size of the Federal workforce—at any cost. When I suggested amendments—arguing that we had to save money, they rejected them. They told me that is not the point—we have to turn some lights out in some federal buildings. I would like to know whether that's still driving the outsourcing fervor.

I want to be perfectly clear: I am not opposed to all outsourcing. What I am concerned about is ensuring that decisions to shift work to the private sector are made fairly, not arbitrarily; that public-private competition is fostered; and that we have a reliable system in place to have information about the costs and performance of work being performed with Federal funds by the private sector under these contracts, in essence, accountability.

You can outsource and save money for taxpayers, and I think you should do that. If you decide you will outsource, privatize, and contract out, whether you save money for taxpayers or not, you are not serving either taxpayers or the needs of our Nation.

It is interesting to me that the Senators on the other side of the aisle are fearful of the word "competition." The thought that the private sector might have to compete for providing services to the Federal Government with the public sector is unacceptable to them.

When you look at the Department of Defense, they spend over \$96 billion a year on contracts per services. How many of those are competitively bid? Less than \$1 billion. Ninety-five billion out of \$96 billion in these contracts for services go without competitive bid. It has created cozy, sweetheart, comfortable arrangements with companies and the Pentagon. They do not want to compete. They do not want to stand up against those who say we can do it for you more professionally, more cheaply, more effectively. They can't stand the idea of competition. That is why they are opposing the Kennedy amendment.

Should we not at this point in time of our history, with limited resources, fighting a war on terrorism, insist the taxpayers get every dollar of service for every dollar of taxpayers' money they put into our national defense? That is what the Kennedy amendment says. That is why I am happy to co-sponsor it.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. KENNEDY. How much time remains to the other side?

The PRESIDING OFFICER. They have 1 minute 25 seconds.

Mr. KENNEDY. On either side, then? The PRESIDING OFFICER. There remain 1 minute 25 seconds for both.

Mr. THOMAS. I just want to respond to the comments made with respect to OMB. I want to read from a letter from the Director.

DEAR SENATOR WARNER, I am writing to express deep concern over the possible Kennedy amendment [proposal]. While packaged in good-government clothing, this amendment will severely limit the Department of Defense's ability to acquire services necessary to help the Department meet current threats. The Department of Defense must have the flexibility. . . .

While agencies are embracing competition, focusing on core mission, and eliminating barriers to entering the marketplace, this amendment does the opposite.

The Senator was talking about support from this Department, and this is not what is there.

It would require the Government to consider reforming non-core activities that it doesn't have the skills to do when entrepreneurs and their employees are ready, willing and able to perform.

We most focus our agencies on performance and accountability. Now—when our nation is at war against terrorism of global reach—is not time for the Secretary of Defense to have fewer options, for the sake of moving more functions into government hands.

I yield the floor.

Mr. KENNEDY. Madam President, I yield myself the remaining time.

We should not have to get into a discussion about the value of competition. But a year ago one of our colleagues offered a very similar amendment and then Senator WARNER said: Let's wait until we have the Commercial Activities Panel report. That was to guide the Defense Department.

In this report, on page 47, it says:

Establishing a process that, for activities that may be performed by either the public or the private, would permit public and private sources to participate in competitions for work currently performed in-house, work currently contracted to the private sector, and new work, consistent with these guiding principles.

Unanimous recommendation. That is what this amendment does. That is why we believe it is important. It will be in the interests of our national security, the Department of Defense, and the taxpayers. That is why we believe this amendment should be accepted.

I believe all time has expired.

#### RECESS

The PRESIDING OFFICER. The hour of 12:30 p.m. having arrived, under the previous order, the Senate will stand in recess until the hour of 2:16 p.m.

Thereupon, the Senate, at 12:36 p.m., recessed until 2:16 p.m. and reassembled when called to order by the Presiding Officer (Mr. REED).

#### NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 2003—Continued

The PRESIDING OFFICER. Who yields time?

Mr. WARNER. Mr. President, parliamentary inquiry: It is the understanding of the Senator from Virginia that the time between 2:15 and 2:30 is to be equally divided between the distinguished Senator from Massachusetts, the distinguished Senator from Wyoming, and myself.

The PRESIDING OFFICER. The Senator is correct.

Who yields time?

Mr. KENNEDY. Mr. President, I yield myself 3 minutes.

Mr. President, under our amendment, the public workers and private contractors alike will have a chance to compete for Department of Defense contracts. It will represent approximately \$100 billion. Only about \$1 billion of that is competed for. We believe competition is good. We believe competition will get the best product at the best price, which will reflect the unanimous recommendations of the recent study. Fewer than 1 percent of these Department of Defense service contracts are done in that way at this particular time.

I don't understand for the life of me why there should be resistance or reluctance to these various proposals. This kind of proposal was considered by the Commercial Activities Panel on improving the sourcing division of the Government, which was chaired by the Comptroller of the United States.

In this particular proposal, one of the recommendations, which was 12 to 0, was the amendment we are offering today. If our Republican friends have trouble with that, why wasn't there some opposition to that in this report? There was none. It is a unanimously favorable report. This wasn't Democrat and this wasn't Republican. These were contractors, representatives of the public, employees, and accountants, talking about how the U.S. Department of Defense could get the best buy for its money. It was said for years that we couldn't go ahead with competition until we finally got the Commercial Activities Panel report. That took a year and half and 11 different hearings with public comments from all over.

This was unanimous. It was not 8 to 4; this proposal was unanimous. They believe as a result of their proposal that DOD is going to get the best services—the American taxpayers are going to get the best buy, the best service, and the men and women of the military are going to be best served.

Why in the world the resistance to that argument?

I withhold the remainder of my time. The PRESIDING OFFICER (Mr. CORZINE). The Senator from Wyoming.

Mr. THOMAS. Mr. President, I yield myself 5 minutes of our time. We have 7½ minutes. I yield myself 5 minutes out of our 7½ minutes.

I want to respond to the Senator. He asks, who opposes this? Let me give you some idea of who and why.

One, the amendment will increase costs to DOD by \$200 million a year. Secondly, he talks about the report of